UNITED STATES INTERNATIONAL TRADE COMMISSION Washington, DC 20436

MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 109th Congress ¹

[Date approved: November 8, 2005]²

Bill No. and sponsor: H.R. 2452 (Mr. Tim Murphy of Pennsylvania).

Proponent name, location: Bayer Material Science LLC, Pittsburgh, PA.

Other bills on product (109th Congress only): None.

Nature of bill: Temporary duty reduction through December 31, 2009.

Retroactive effect: None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

Mixtures of tris(4-isocyanatophenyl)thiophosphate (CAS No. 4151-51-3), ethyl acetate and monochlorobenzene as solvents (provided for in subheading 3824.90.28).

Check one: Same as that in bill as introduced.X Different from that in bill as introduced (see Technical comments section).

Product information, including uses/applications and source(s) of imports:

The subject synthetic organic chemical is used as a cross linking agent in solvent-based adhesives based on polyurethane, natural rubber or synthetic rubber, and as an adhesion promoter on rubber-based substrates. The subject chemical is imported from Germany.

¹ Industry analyst preparing report: Robert Randall (202-205-3366); Tariff Affairs contact: David Michels (202-205-3440).

² Access to an electronic copy of this memorandum is available at http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm.

Estimated effect on customs revenue:

HTS subheading: <u>3824.90.28</u>							
	2005	2006	2007	2008	2009		
Col. 1-General rate of duty	6.5%	6.5%	6.5%	6.5%	6.5%		
Estimated value <i>dutiable</i> imports	\$180,000	\$186,000	\$192,000	\$197,000	\$203,000		
Customs revenue loss 1/	\$11,700	\$12,090	\$12,480	\$12,805	\$13,195		

^{1/} The Commission notes that the title of the bill indicates that it would temporarily reduce the duty on the subject product. In fact, the rate of duty that is set forth in proposed HTS heading 9902.05.94 is the same rate that applies under HTS subheading 3824.90.28. If the bill were enacted as drafted, it would not reduce the general rate of duty, and there would be no Customs revenue loss. If the proposed HTS heading were modified to provide a duty suspension, then the estimated Customs revenue loss would be the amount shown in the table above.

Source of estimated dutiable import data: Industry estimates.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	US production of same or competitive product claimed?	Submission attached?	Opposition noted?
		(Yes/No)		
Bayer MaterialScience LLC (Proponent) Karen Niedermeyer, 412-777-2058	9/7/2005	No	No	No
Dow Chemical Co. Adhesives Product Mgr, Fax: 989-832-1465	9/15/2005	No	No	No
H B Fuller Co. Adhesives Product Mgr, Fax: 651-236-5165	9/15/2005	No	No	No
Henkel Adhesives Adhesives Product Mgr, Fax: 847-289-2493	9/15/2005	No	No	No
National Starch & Chemical Adhesives Product Mgr, Fax: 609-409-5699	9/15/2005	No	No	No

Rohm and Haas	9/15/2005	No	No	No
Adhesives Product Mgr, Fax: 215-592-3377				

Technical comments:³

The Commission suggests that the article description on page 1 of this report be used in the proposed new heading in order to provide the proper arrangement for the chemical and the CAS number.

The Commission also notes that the title of the bill indicates that it would temporarily reduce the duty on the subject product. In fact, the rate of duty that is set forth in proposed HTS heading 9902.05.94 is the same rate that applies under HTS subheading 3824.90.28. If the bill were enacted as drafted, it would not reduce the general rate of duty, and there would be no Customs revenue loss. If the proposed HTS heading were modified to provide a duty suspension, then the estimated Customs revenue loss would be the amount shown in the table on page 2 of this report.

The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

H. R. 2452

To reduce temporarily the duty on Desmodur.

IN THE HOUSE OF REPRESENTATIVES

May 18, 2005

Mr. Murphy introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To reduce temporarily the duty on Desmodur.

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1		Be it	enacted by the Senate and House of Representa-							
2	tiv	ves of the	ne United States of America in Congress assembled,							
3	SECTION 1. DESMODUR RF-E.									
4	(a) In General.—Subchapter II of chapter 99 of									
5	the Harmonized Tariff Schedule of the United States is									
6	amended by inserting in numerical sequence the following									
7	new heading:									
	"	9902.05.94	Mixtures of tris(4-isocyanatopheny-1)thiophosphate, ethyl acetate, and monochlorobenzene (CAS No. 4151–51–3) (as provided for in subheading 3824.90.28)	6.5%	No change	No change	On or before 12/31/2009	".		

- 1 (b) Effective Date.—The amendment made by
- 2 subsection (a) applies to goods entered, or withdrawn from
- 3 warehouse for consumption, on or after the 15th day after

4 the date of enactment of this Act.

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